Written Answers to Starred Questions

Recovery of Revenue from Import Duty

†*182. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the amount recovered through import duty is increasing due to consistent increase in import of edible oil during the preceding years;

(b) if so, the revenue recovered by Government through import duty on edible oil during the years 2002-03, 2003-04 and first ten months of the year 2004-05; and

(c) the rates of import duty fixed during the said periods?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) (a) and (b) Revenue collection from the vegetable fats & oils and their cleavage products including vanaspati during 2002-03, 2004-05 and 2004-05 (April 04 to January 05) was as under :—

Rs. in crore

Year	2002-03	2003-04	2004-05 (April to Jan. 2005)
Animal or vegetable fats & oils & their cleavage products	3917	3039	2788

Revenue collection is a function of quantity imported, value and rate of duty. Revenue collection in fact has come down in 2003-04 vis-a-vis 2002-03.

(c) Customs duty structure on edible vegetable oils during 2002-03, 2003-04 and 2004-05 was as under:

DUTY RATE STRUCTURE ON CRUDE VEGETABLE OILS OF EDIBLE GRADE

S. No.	Item Description	Basic customs duty		
		2002-03	2003-04	2004-05
1.	Soyabean oil	45%	45%	45%
2.	Palm Oil	65%	65%	65%/80%
3.	Groundnut oil	85%	85%	85%
4.	Sunflower/Safflower	75%	75%	75%
5.	Coconut Oil	85%	85%	85%
6.	Rapeseed, Colza or Mustard Oil	75%	75%	75%
7.	Other oils	85%	85%	85%

1. Education cess @ 2% of the aggregate of the duties of customs is levied w.e.f. 19th July, 2004.
*Import duty on Crude palm oil was increased from 65% to 80% w.e.f. 15th February, 2005.

† Original notice of the question was received in Hindi.

DUTY RATE STRUCTURE ON REFINED VEGETABLE VEGETABLE OILS OF EDIBLE GRADE

S. No.	Item Description	Basic costoms duty						
		2002-03			2003-04			2004-05
		Basic	SAD	Total	Basic	SAD#	Total	
1	Soyabean oil	45%	4%	50.8%	45%	4%	50 8%	45%
2.	Palm Oil	85%	4%	92.4%	85%/70%*	4% NIL*	92.4% 70%	70%/75%** 90%+
3.	Groundnut oil	85%	4%	92 4%	85%	4%	92 4%	85%
4	Sunflower/Safflower	85%	4%	92 4%	85%	4%	92 4%	85%
5	Coconut Oil	85%	4%	92.4%	85%	4%	92.4%	85%
6.	Rapeseed, Colza or mustard Oil	75%	4%	82%	75%	4%	82%	75%
7.	Other oils	85%	4%	92 4%	85%	4%	92.4%	85%

1. Education cess @ 2% of the aggregate of the duties of customs is levied w e f. 9th July, 2004.

* Duty on refined palm oil was reduced from 85%+4% (SAD) to 70%Nil (SAD) w.e f. 30th April, 2003.

SAD was withdrawn with effect from 9th January, 2004.

** Duty on refined palm oil was increased from 70% to 75% w e f 9th July,, 2004.

+ Customs duty on refined palm oils was increased from 75% to 90% w.e.f. 15th February, 2005.

Benefits of VAT

*186 SHRI DARA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have fully assessed benefits or disadvantages by VAT's introduction in the country from 1st April, 2005 and how far it is different from Central Sales Tax:

(b) which are the States who have passed a VAT law till date and whether any State not willing to do so;

(c) whether VAT will operate on the basis of uniform rates across the country by ending several State-level or vary in respect of unwilling State like Uttar Pradesh; and

(d) what special relief small dealers/traders will get under VAT whose turnover is up to 5 to 50 lakhs annually?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) VAT is a State level tax reform measure, which is proposed to be implemented by States in lieu of the existing Sales Tax system. An Empowered Committee of State Finance Ministers has been set up to decide on all issues relating to implementation of State Level VAT. The Empowered